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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Policy and Rules Concerning the Interstate, Interexchange Marketplace	)	CC Docket No. 96-61
	)	
	)	File No. CCB/CPD 97-54
Implementation of Section 254(g) of the Communications Act of 1934, as amended	)	
	)	

To: The Commission

COMMENTS IN SUPPORT OF PRIMECO'S MOTION FOR STAY OF ENFORCEMENT

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September 29, 1997

SUMMARY

BellSouth supports PrimeCo's request for a stay of enforcement of Section 64.1801 of the Rules with respect to Commercial Mobile Radio Service ("CMRS") carriers and their affiliates until issues surrounding the applicability of rate integration to CMRS providers can be fully explored on reconsideration. Thousands of BellSouth CMRS customers will be adversely affected by rate integration. For example, 45,000 customers have some form of wide-area rate plan. Depending on the terms of these plans, many of them may have to be terminated to comply with a rate integration requirement.

Moreover, the CMRS industry cannot realistically comply with the rate integration requirement by October 3. BellSouth cannot simply terminate the wide-area calling plans of 45,000 customers abruptly. Some of these plans may not even be subject to rate integration, but which plans are and which are not subject to rate integration will require clarification. Similarly, it would simply not be possible for BellSouth to establish the same nationwide interexchange rates for its CMRS operations as AT&T, AirTouch, U S WEST, Bell Atlantic NYNEX Mobile, PrimeCo, and other CMRS carriers who are required to be jointly rate-integrated by the daisy-chain effect of the affiliation rule, even if this did not constitute unlawful price fixing or collusion. Thus, to protect customers as well as to comply with the realities of the CMRS marketplace, the Commission should stay enforcement.

There is no record concerning CMRS rate integration. Until such a record is compiled in a notice and comment rulemaking proceeding, the Commission should not require CMRS carriers to reorganize their entire way of doing business.

BellSouth also submits that if the Commission does not grant a stay, it must forbear from enforcing the rate integration rule and Section 254(g), pursuant to Section 10 of the Communications Act, with respect to CMRS carriers and their affiliates.

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BellSouth Corporation ("BellSouth"), by its attorneys, hereby submits its comments in support of the "Motion for Stay of Enforcement of PrimeCo Personal Communications, LP" ("PrimeCo Motion") filed on September 23, 1997. BellSouth agrees with PrimeCo that a stay or suspension of enforcement of Section 64.1801 of the Rules is essential with respect to Commercial Mobile Radio Service ("CMRS") carriers and their affiliates as set forth in the *Reconsideration Order* in this proceeding[1] until issues surrounding the applicability of rate integration to CMRS providers can be fully explored on reconsideration.[2]

Thousands of BellSouth CMRS customers will be adversely affected by rate integration. For example, 45,000 customers have some form of wide-area rate plan. Depending on the terms of these

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[1] *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as amended*, CC Docket No. 96-61, *First Memorandum Opinion and Order on Reconsideration*, FCC 97-269 (released July 30, 1997) (*Reconsideration Order*).

[2] BellSouth will be filing a petition for reconsideration of the *Reconsideration Order* in the immediate future on this issue and anticipates other CMRS carriers will do the same.

plans, many of them may have to be terminated to comply with a rate integration requirement. As a practical matter, this simply cannot be done by October 3, when the rule goes into effect. Similarly, it would simply not be possible for the many CMRS carriers who appear to be deemed subject to joint rate integration, due to the affiliation rule, to adopt and follow a single nationwide interexchange rate plan by October 3, even if this did not require unlawful price fixing or collusion. Thus, to protect customers as well as to comply with the realities of the CMRS marketplace, the Commission should stay enforcement.

PrimeCo also noted that "the Commission's forbearance authority supports grant of a discretionary stay of enforcement."[3] BellSouth submits that if the Commission does not stay enforcement, Section 10 of the Communications Act *requires* the Commission to forbear from enforcing this rule and Section 254(g) of the Act with respect to CMRS carriers and their affiliates. Accordingly, BellSouth hereby petitions for emergency forbearance pursuant to Section 10(a), 47 U.S.C. § 160(a), with respect to applying Section 254(g) of the Communications Act and Section 64.1801(b) of the Commission's rules to CMRS providers and their affiliates.

BACKGROUND

In Section 254(g), Congress directed the Commission to adopt rules to require interexchange carriers ("IXCs") to integrate the rates they charge for service.[4] Specifically, Section 254(g) requires that "a provider of interstate interexchange services shall provide such services to its subscribers in each State at rates no higher than the rates charged to its subscribers in any other State."[5] In implementing this section, Congress stated that its intent was simply to incorporate into the

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[3] PrimeCo Motion at 4 n.8.

[4] Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, sec. 101(a) (1996) ("1996 Act") (adding 47 U.S.C. § 254(g)).

[5] 47 U.S.C. § 254(g).

Communications Act the existing practice of rate integration for interexchange, or long distance, telecommunications rates.[6] Congress made clear that it intended to do no more than codify existing policy without change. The Senate Report, for example, stated:

> [The new provision] *simply* incorporates in the 1934 Act the *existing practice* of geographic rate averaging and rate integration .... This provision is *not intended to alter existing geographic rate averaging policies as enforced by the FCC on the date of enactment,* including the FCC's proceeding entitled "Integration of Rates and Services for the Provision of Communications by Authorized Common Carriers between the United States Mainland and the Offshore Points of Hawaii, Alaska, and Puerto Rico/Virgin Islands" (61 FCC2d 380 (1976)).[7]

The Commission understood that Congress did not charge it with developing new policy or expanding the reach of the rate integration policy when it stated "Congress intended section 254(g) to codify our pre-existing rate integration policy."[8] That pre-existing rate integration policy did *not* apply to CMRS and emphatically did not require rate integration across CMRS affiliate boundaries.

The rate integration policy began in 1972 when the Commission imposed a requirement on any carrier that provided domestic satellite service between the contiguous forty-eight states and various offshore points to integrate its rates and services for offshore points with its rates for similar services on the mainland.[9] AT&T was also required to integrate rates for its services.[10] Thereafter, in the *1976 Integration of Rates and Services Order*, the Commission required IXCs offering message toll, private line, and specialized services to or from Alaska, Hawaii, Puerto Rico, and the

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6 *See* H.R. Conf. Rep. No. 104-458, at 129, 132 (1996) ("Joint Explanatory Statement").

7 S. Rep. No. 104-23, at 30 (1995) (emphasis added).

8 *Reconsideration Order* at ¶ 18.

9 *See Establishment of Domestic Communications-Satellite Facilities by Non-Governmental Entities,* Docket 16495, *Second Report and Order*, 35 F.C.C.2d 844, 856-66 (1972) (*Domsat II*), *aff'd on recon., Memorandum Opinion and Order*, 38 F.C.C.2d 665, 695-96 (1972) (*Domsat II Reconsideration*), *aff'd sub nom. Network Project v. FCC*, 511 F.2d 786 (D.C. Cir. 1975).

10 *Domsat II,* 35 F.C.C.2d at 858.

Virgin Islands to integrate their rates for those services into the rate structures and uniform mileage rate patterns applicable to the mainland.[11] In 1987 the Commission specifically clarified the purpose of the rate integration policy:

> The rate integration policy was developed to provide, in phased reductions, *interstate MTS and WATS service* to and from Alaska at rates comparable to those prevailing in the contiguous states for calls of similar distance, duration, and time of day.[12]

As recently as 1995, when the FCC reaffirmed its support of the rate integration policy, its focus remained on the traditional wireline interstate, domestic, interexchange service providers, and no mention was made of CMRS providers.[13] Thus, in none of these cases did the Commission consider applying its rate integration policy to CMRS carriers.

In its initial *Report and Order* in this proceeding in response to Section 254(g), the Commission noted that "the legislative history of the 1996 Act indicates that Congress intended us to incorporate into our rules the policy contained in the 1976 *Integration of Rates and Services Order*."[14] Accordingly, the Commission proposed and adopted a rule, now codified at Section 64.1801(b) of the Commission's rules, stating that "a provider of interstate interexchange telecommunications services shall provide such services to its subscribers in each State at rates no

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11 *See Integration of Rates and Services, Memorandum Opinion, Order and Authorization*, 61 FCC 2d 380, 383-84 (1976) (*1976 Integration of Rates and Services Order*).

12 *Referral of Questions from General Communication Inc. v. Alascom Inc., Memorandum Opinion and Order*, 2 F.C.C.R. 6479, 6481 (1987) (emphasis added).

13 *See Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, Order*, 11 F.C.C.R. 3271, 3330 (1995) (*AT&T Non-Dominance Order*).

14 *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as amended*, CC Docket No. 96-61, *Report and Order*, 11 F.C.C.R. 9564, 9587 (1996) (*Report and Order*).

higher than the rates charged to its subscribers in any other State."[15] In adopting this rule, no mention was made of departing from prior precedent and extending the rate integration policy to CMRS carriers.[16] The rule appeared to codify the *status quo*, consistent with congressional intent.[17]

Nevertheless, in the *Reconsideration Order,* the Commission appears, for the first time, to seek to apply its rate integration and averaging rules to CMRS carriers and their affiliates, despite the lack of a record in this proceeding to support such action. This action appears to be taken in response to a request from GTE for the Commission to clarify whether the scope of the affiliation rule extended to all carriers, including CMRS.[18] Thus, the *Reconsideration Order* concludes that it does so and that "the rate integration provision applies to all interstate interexchange telecommunications services and *therefore requires CMRS providers to provide the interstate interexchange CMRS service on an integrated basis in all their states.*"[19] In the same breath, the Commission

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[15] *Report and Order*, 11 F.C.C.R. at 9587 (internal quotation marks omitted); *compare* 47 U.S.C. § 64.1801(b) ("A provider of interstate interexchange telecommunications services shall provide such services to its subscribers in each U.S. state at rates no higher than the rates charged to its subscribers in any other state.").

[16] The *Report and Order* did contain a paragraph specifically subjecting American Mobile Satellite Corporation to the rate integration requirement. *See* 11 F.C.C.R. at 9589. That paragraph does not mention CMRS and addresses arguments specific to mobile satellite service, rather than CMRS in general. This paragraph certainly did not put the CMRS industry on notice that all CMRS carriers were subject to rate integration, given that domestic satellite services had long been subject to rate integration, unlike terrestrial CMRS. To the contrary, the fact that the provider of this highly specialized type of service was specifically subjected to rate integration by name, after considering company-specific arguments regarding the difference between its service and other domestic satellite services, indicates that the Commission did not give any consideration to subjecting CMRS licensees to the rate integration requirement *en masse.*

[17] *See Report and Order*, 11 F.C.C.R. at 9588 ("this rule will incorporate our existing policies").

[18] *See Reconsideration Order* at ¶ 6 (citing GTE Service Corporation, Petition for Reconsideration and Clarification at 11-12 (filed Sept. 16, 1996) ("GTE Petition")).

[19] *Reconsideration Order* at ¶ 18 (emphasis added).

acknowledged, however, that it has "never required integration of interexchange CMRS rates with other interexchange service rates."[20]

The Commission's *Reconsideration Order* also clarified the impact of its rate integration policy on parent companies and their affiliates. Previously, in the *Report and Order*, the FCC had rejected a view espoused by GTE that Section 254(g) did not require its offshore Mariana affiliate to integrate rates with other GTE affiliates: "The statute mandates that the Commission require rate integration among all states, territories, and possessions, and this goal is best achieved by interpreting 'provider' to include parent companies that, through affiliates, provide service in more than one state."[21] GTE requested clarification that the requirement applies to all parent companies, and not solely GTE.[22] The FCC clarified that it does: "section 254(g) requires the implementation of rate integration across affiliates."[23] The FCC concluded that "affiliates" under common ownership and "control," as defined in Section 32.9000 of the Commission's rules, shall be required to rate integrate across affiliates.[24]

DISCUSSION

As shown below, the application of the Commission's rate integration policies will have immediate and severe consequences for BellSouth and its wireless affiliates, and the CMRS industry and the public interest in general. Accordingly, the Commission should, at a minimum, suspend enforcement pending further reconsideration. In fact, however, the Commission is obligated by Section 10 of the Act to forbear from enforcing Section 64.1801 of its rules and Section 254(g) of

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20 *Reconsideration Order* at ¶ 18.

21 *Report and Order*, 11 F.C.C.R. at 9598.

22 *See Reconsideration Order* at ¶ 12 (citing GTE Petition at 12).

23 *Reconsideration Order* at ¶ 16.

24 *Reconsideration Order* at ¶ 17 (citing 47 C.F.R. § 32.9000).

the Act with respect to CMRS carriers and should issue an emergency order forbearing from such enforcement permanently.

I. EMERGENCY FORBEARANCE FROM APPLYING SECTION 254(g) TO CMRS CARRIERS AND THEIR AFFILIATES IS WARRANTED

Under Section 10(a) of the Communications Act, the Commission is required to forbear from applying a regulation or provision of the Act when three criteria are met:

> (1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;
>
> (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and
>
> (3) forbearance from applying such provision or regulation is consistent with the public interest.[25]

In making the determination under subsection (a)(3), the FCC must "consider whether forbearance from enforcing the provision or regulation will promote competitive market conditions, including the extent to which such forbearance will enhance competition among providers of telecommunications services."[26] The determination that such forbearance will promote competition among providers of telecommunications services "may be the basis for a Commission finding that forbearance is in the public interest."[27]

Congress specifically indicated that forbearance from applying Section 254(g) may be warranted in certain circumstances. For example, in the context of rate averaging, Congress stated:

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25 47 U.S.C. § 10(a).

26 47 U.S.C. § 10(b).

27 47 U.S.C. § 10(b).

> The conferees are aware that the Commission has permitted inter-exchange providers to offer non-averaged rates for specific services in limited circumstances . . ., and intend that the Commission, where appropriate, could continue to authorize limited exceptions to the general geographic rate averaging policy using the authority provided by new section 10 of the Communications Act.[28]

Such circumstances are present here. Accordingly, for the reasons set forth below, the Commission should exercise its emergency power to forbear from applying Section 254(g) of the Act and Section 64.1801(b) of its rules to CMRS providers and their affiliates.

A. Elimination of the Rate Integration Policy for CMRS Will Have No Adverse Effects and Will Permit Continued Reasonable and Nondiscriminatory Rates

As shown above, the Commission has not previously applied its rate integration policies to CMRS carriers and their affiliates. In this deregulatory environment, increasing competition and declining prices have developed in the marketplace to the benefit of consumers.[29] Because there has been no showing in this proceeding that rates charged by CMRS carriers are unreasonable or discriminatory, forbearance from applying the rate integration policy to CMRS carriers would do nothing more than preserve the *status quo* and maintain the already reasonable and nondiscriminatory charges in place. In the absence of a factual record that these policies are even needed, they merely are a solution in search of a problem. Accordingly, the Commission should not adopt new, highly regulatory policies and impose them on the telecommunications industry unless there is a documented need for such policies to address the consequences of market failure.

With respect to the CMRS rate integration policies, there would appear to be few, if any potential beneficiaries. As PrimeCo has shown, the new rate integration policy appears to require

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28 Joint Explanatory Statement at 132.

29 *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services,* 7 Com. Reg. (P & F) 1, 5-33 (1997) (*1997 Competition Report*).

PrimeCo's owners, AirTouch, U S WEST, and Bell Atlantic, all to have the same interexchange rates for their CMRS operations as PrimeCo.[30] Moreover, the affiliation rule's daisy-chain effect would expand the required uniformity of interexchange rates to partners of those companies. PrimeCo notes that Frontier would appear to be swept into the mandatory cartel by virtue of a partnership with Bell Atlantic,[31] but it could extend much farther. AT&T and AirTouch jointly own a number of cellular systems through CMT Partners, potentially requiring AT&T's interexchange CMRS rates to be the same as those of PrimeCo and those affiliated with it. BellSouth would also be brought under the uniform rate requirements because of its joint ownership with AT&T of Los Angeles Cellular Telephone Company and Houston Cellular Telephone Company.by BellSouth.

Thus, the current CMRS rate integration rule appears to require uniform interstate interexchange CMRS rates for AT&T, BellSouth, Bell Atlantic, Frontier, PrimeCo, and U S WEST, and the web of uniformity will undoubtedly extend even further.[32] Some of these companies have nearly national coverage standing alone.[33] The daisy-chain effect of the affiliation rule would appear to require a single rate plan for all of these companies that literally will extend nationwide, stifling competition.[34]

It is questionable whether anyone would benefit from standardized industry-wide long-distance rates — consumers or service providers. Not even the companies whose prices would be fixed appear to benefit. Standardized rates would inevitably be higher than those that evolve in response to competition, and higher rates and a less-competitive industry would diminish the

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30 PrimeCo Motion at 8.

31 *Id.*

32 *See* Attachment A.

33 *See* Attachment B (maps prepared by FCC regarding A/B Block auction results, showing cellular and PCS coverage for several companies).

34 *See* Attachment C (showing combined areas of cellular and PCS coverage from the maps in Attachment B.

phenomenal industry growth rate, thereby ultimately harming all CMRS competitors and the public. Accordingly, suspending or eliminating the new CMRS rate integration policy appears to have no down side.

B. Application of Sections 254(g) and 64.1801 to CMRS Providers and Their Affiliates Will Harm Consumers and Rates, While Forbearance Will Preserve and Protect Competition

The implementation of rate integration for CMRS interexchange service is a dramatic change in policy which will ultimately harm consumers, the very entities the policy is designed to protect. The inevitable result of the Commission's rejection of the market-based pricing arrangements that have governed CMRS in the past will be diminished consumer choice, lessened competition, and increased prices. By requiring all affiliated CMRS licensees under a single parent to be rate-integrated with respect to their interexchange offerings, the Commission diminishes or eliminates carriers' ability to pursue different pricing strategies for incumbent cellular and new PCS offerings.

The Commission's new, untried CMRS rate integration policy will have immediate and significant adverse effects on consumers. The most deleterious effects on consumers will result from the daisy-chain effect resulting from the affiliation rule described above, which would require integration of the rates of many different CMRS providers as a result of the intertwined ownership structure of the CMRS industry. This would ultimately require the rates of many competing systems to be parallel instead of competitive. In essence, the affiliated-CMRS rate integration policy would eliminate interexchange price competition for CMRS customers and replace it with what amounts to price-fixing or conscious parallelism in pricing.

Consumers would also be disadvantaged if optional wide-area calling plans or toll-free calling plans (*i.e.*, plans allowing customers to call distant points for the standard per-minute airtime charge, without any additional toll charge) are deemed to be interexchange, rather than exchange, service. Many CMRS carriers have developed market-specific optional toll-free calling plans that

permit customers, sometimes for payment of a monthly fee and sometimes without a monthly fee, to extend their local toll-free calling area to larger regions or particular areas, with calls to such locations being billed for airtime only, without a toll charge. Some of these toll-free calling areas are situated such that a call from one MTA to another MTA would be toll-free, and would be subject to the same airtime charges as a purely local call. The Commission has found the establishment of such calling plans to be in the public interest.[35] If such plans are deemed to constitute interexchange service subject to the rate integration policy, carriers would be forced to discontinue them, despite the obvious consumer benefits, rather than offer the same plans in markets where the such plans are economically unjustified. The termination of such plans will have an obvious and immediate deleterious effect on consumers. In BellSouth's case, 45,000 customers subscribe to one or another wide-area calling plan. Putting rate integration into effect will thus potentially change the service offered to these thousands of customers and deprive new customers of the benefits of calling plans that meet their needs. A one-size-fits-all policy means that *all* consumers will be disadvantaged.

Similarly, if the Commission requires rate integration to apply across cellular-PCS lines where such systems are commonly owned although in different markets, consumers will be disadvantaged. PCS systems need to adopt new pricing approaches to develop a customer base, given the existence of two incumbent cellular systems. If the Commission requires the PCS carrier to be rate-integrated with its sister cellular carriers in other markets, it will retard, if not eliminate, the PCS carrier's ability to enter into competition with the incumbent cellular carriers. Under rate integration, a PCS licensee's entry-related pricing strategies would be foreclosed by the pricing strategies of its sister cellular carriers' pricing strategies in unrelated markets. This would have the effect of establishing a single price schedule for both new entrants and incumbents nationwide. Any

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[35] *See Craig O. McCaw,* 9 F.C.C.R. 5836, 5851-52, 5859-60, 5872-73, 5877, 5879-80 (1994), *recon.,* 10 F.C.C.R. 11,786, 11,800 (1995) (subsequent history omitted).

regulation of the prices charged by new entrants — and particularly tying new entrants to incumbents' prices elsewhere — will dampen the prospects for competitive entry into PCS by cellular-affiliated companies. Prices will be higher as a result, to the detriment of consumers.

II. AT A MINIMUM, THE FCC SHOULD SUSPEND ENFORCEMENT PENDING RECONSIDERATION

As shown above, prior to the *Reconsideration Order* the Commission's rate integration policy had never been applied to CMRS carriers, nor was such a scenario even discussed. Congress had not directed the Commission to do so; indeed, it said its intention was not to change the pre-existing Commission policy. CMRS carriers were not even mentioned in the *NPRM.* As a result, the issue was not directly commented on during the notice and comment stage of this proceeding, and it was only raised briefly by one party on reconsideration, who sought clarification only because the broad definition of affiliate appeared to extend unintentionally to CMRS affiliates. BellSouth and the CMRS industry were thus only recently put on notice of this dramatic shift in position. There is no record whatsoever underlying the Commission's decision to apply rate integration to the CMRS industry — no record of the need for such a policy, the effects of it, or how it can or should be implemented. Moreover, the Commission's interpretation of the affiliate requirement, and its express determination that the rate integration policy applies to CMRS, was only recently set forth on reconsideration.

BellSouth does not agree with the Commission's decision to extend its rate integration policy to CMRS providers and their affiliates, and it will address this point by filing a petition for reconsideration in the immediate future. Accordingly, BellSouth agrees with PrimeCo that the Commission should stay or suspend enforcement of Section 64.1801 of its rules with regard to CMRS carriers and their affiliates pending reconsideration. Such suspension is necessary so that the Commission may develop a full record on this issue. BellSouth is concerned that the

Commission may not have foreseen the adverse and irreparable harm of its action, since the application of the rate integration policy to CMRS carriers was not commented on in earlier stages of this proceeding.

There are considerable costs involved in converting an entire industry over to a new and untried regulatory scheme. These costs are irreversible — they cannot be recovered if the new scheme is ultimately overturned or modified. There is no compensation available for the substantial sums that will be spent to comply with the new CMRS rate integration policy.[36] Moreover, carriers cannot be expected to subject themselves to antitrust liability by engaging in the price-fixing and coordinated pricing that appears to be required as a result of the affiliate rule, given the absence of antitrust immunity.

As a practical matter, the CMRS industry simply cannot comply with the new policy by October 3, 1997. Carriers cannot terminate optional calling plans overnight, and there is not even time to review these plans to determine which ones are subject to rate integration. Clarification will be required of the scope of rate integration in the CMRS industry, if the Commission decides to continue with this unwise requirement. Similarly, the many carriers linked together by the affiliation daisy-chain could not establish rate plans that comply with the rate integration requirement by October 3, even if antitrust law were not an obstacle.

Under these circumstances, a stay or suspension is consistent with Commission precedent. As PrimeCo points out, the Commission has previously stayed the effectiveness of a rule upon becoming aware of adverse consequences which would result from the adoption of a rule and were

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[36] BellSouth has 45,000 customers under rate plans with toll-free interstate calling. At a minimum, BellSouth will have to review all of its calling plans, including both standard interexchange service plans and special toll-free calling plans, to determine which plans are subject to the rate integration requirement; modify, eliminate, or consolidate plans as needed; develop, test, and install new software; and communicate changes to customers.

both unintended and unanticipated at the time the rule was adopted.[37] In those cases, a temporary stay was found to be necessary to enable to FCC to develop a full record and initiate further analysis due to unanticipated concerns. For the same reasons, a temporary suspension is warranted in this case. Absent a temporary suspension of enforcement, irreparable harm will be caused to BellSouth and the CMRS industry in general, as described above.

CONCLUSION

For the foregoing reasons, BellSouth urges the Commission to grant the PrimeCo motion and stay enforcement of Section 64.1801(b) of the Rules and Section 254 (g) of the Act with respect to CMRS carriers pending reconsideration or, in the alternative, to issue an emergency forbearance order permanently declining to enforce the same provisions.

Respectfully submitted,

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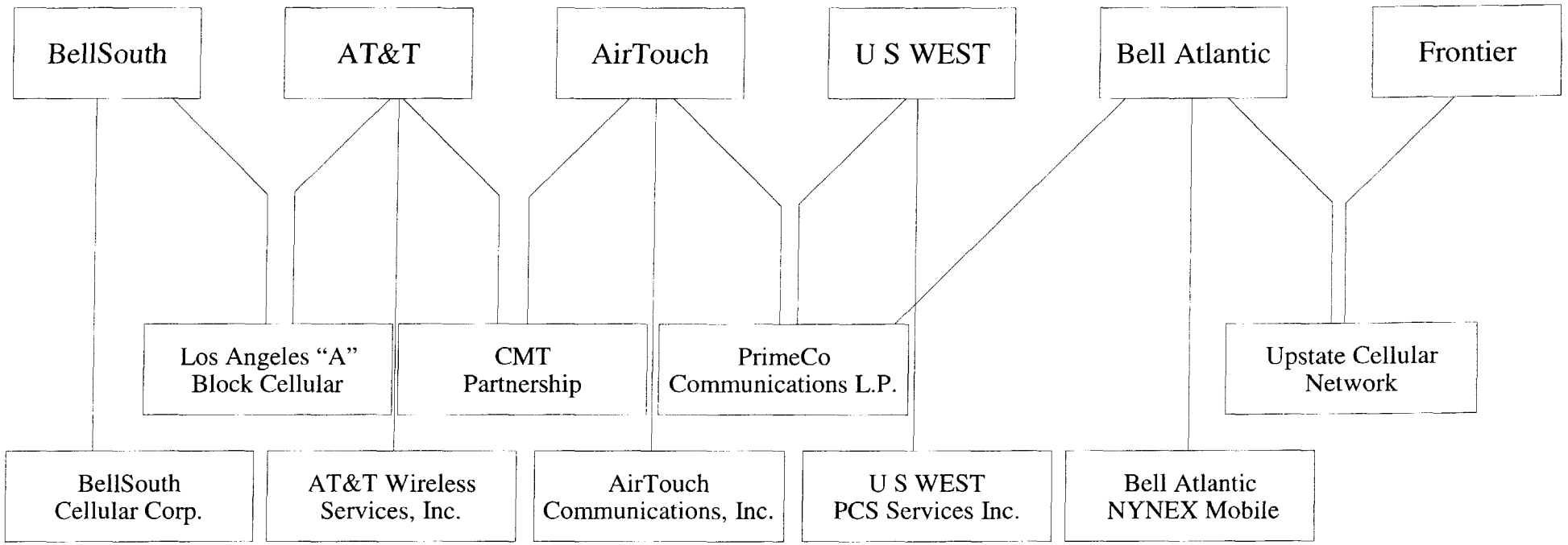
[37] *See* PrimeCo Motion at 4 (*citing Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance carriers*, 11 F.C.C.R. 856 (1995); *Amendment of Part 22 of the Commission's Rules Relating to License Renewals in the Domestic Public Cellular Radio Telecommunications Service*, 8 F.C.C.R. 8135 (1993)).

ATTACHMENT A

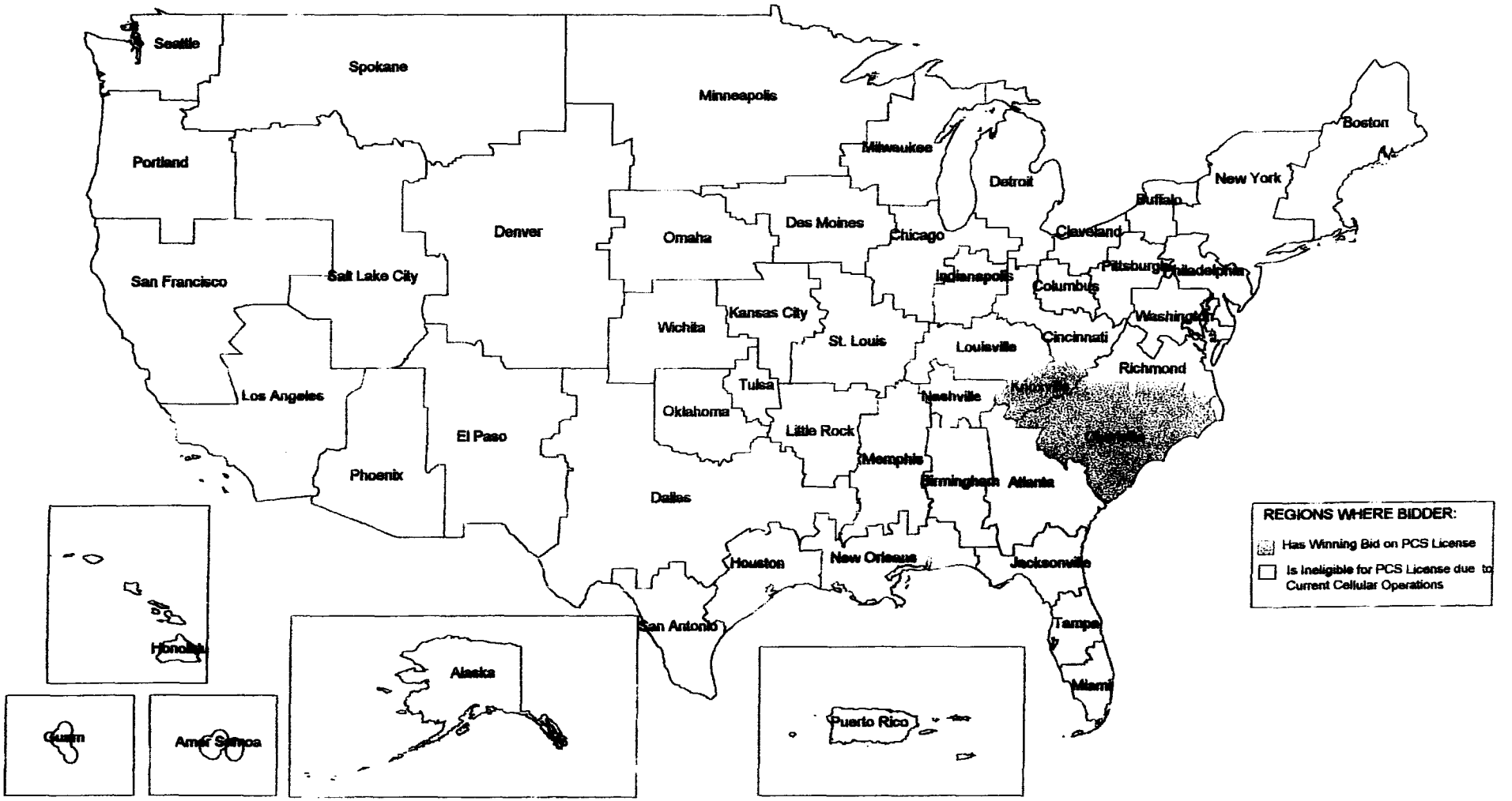
"Daisy Chain" of CMRS Ownership Due to Affiliation Rule



ATTACHMENT B

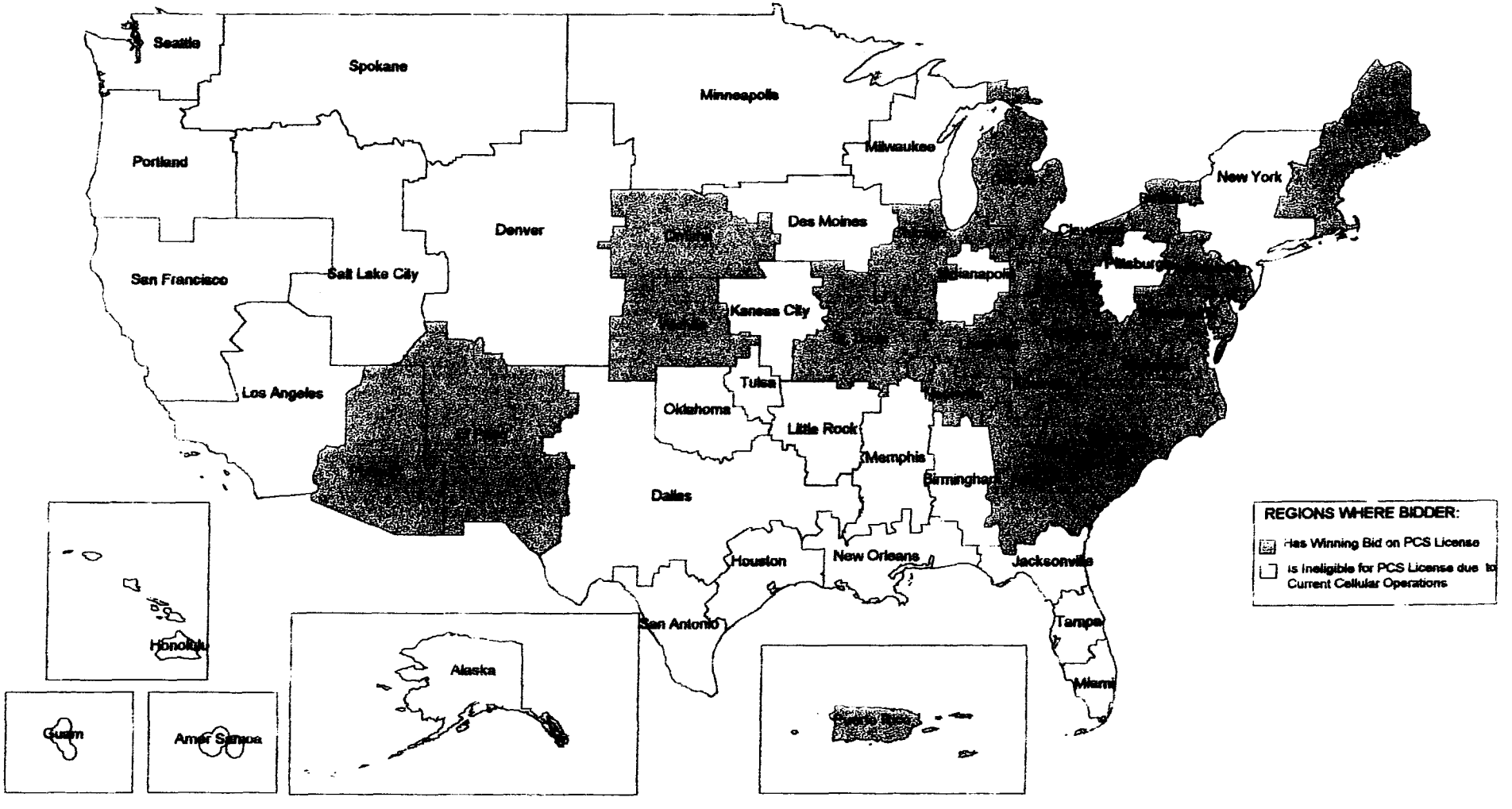
FCC MTA BROADBAND PCS AUCTION

BellSouth Personal Communications, Inc



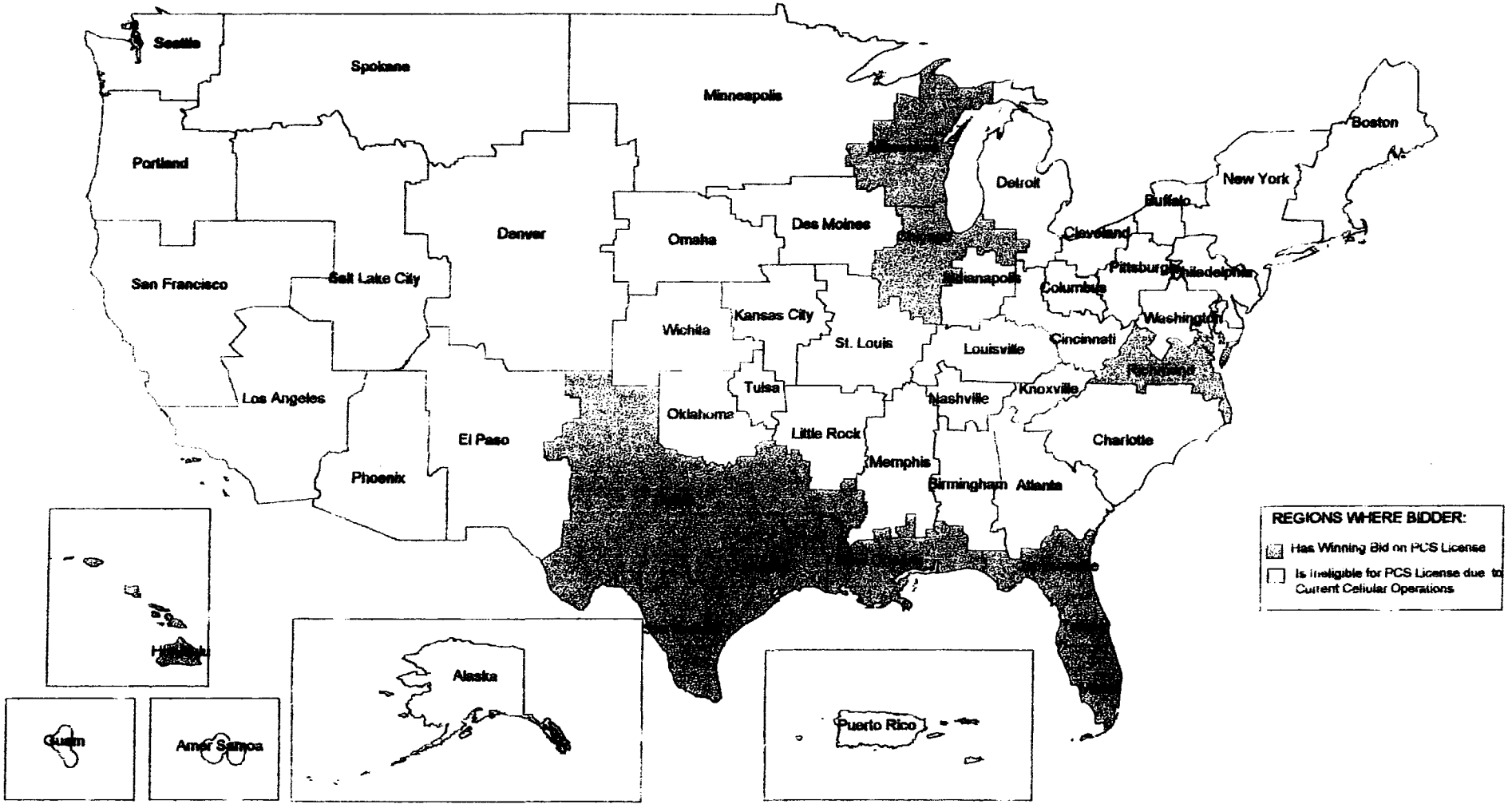
FCC MTA BROADBAND PCS AUCTION

AT&T WIRELESS PCS INC.



FCC MTA BROADBAND PCS AUCTION

PCS PRIMECO, L.P.



ATTACHMENT C

Broadband PCS A/B Block and Cellular Coverage (Combined)